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SCAG UNVEILS MAJOR ECONOMIC RECOVERY PLAN

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Executive Director Mark Pisano Outlines “Operation Jumpstart” – A Public/Private Partnership Plan to Boost Economy Through Road and Rail Improvements.

BREA, CA – The Southern California Association of Governments (SCAG) outlined a \$26.1 billion regional economic revitalization plan today that would accelerate a series of road and rail improvements to create thousands of high-paying jobs in the short-term and build the infrastructure necessary for Southern California to ultimately become the world’s leading international trade center. Executive Director Mark Pisano unveiled the framework for SCAG’s new “Operation Jumpstart” initiative during the agency’s annual Regional Council Retreat, which brings together elected officials from throughout its six-county region.

According to SCAG’s 2002 “State of the Region Report,” which details declining incomes and stagnating employment, the Southland now ranks as one of the nation’s poorest metropolitan areas. To reverse this trend, “Operation Jumpstart” puts forth a three-pronged approach to solving the region’s economic woes through the development of dedicated truck lanes on some of the area’s most crowded freeways (\$16.5 billion); railway improvements that would allow more trains to transport goods from Southland ports throughout the region and the nation (\$3.4 billion); and a high-speed magnetic levitation (Maglev) train system that would provide a major commuter alternative and facilitate a truly regional airport system (\$6.2 billion).

“If Southern California’s ports are the heart of its economy, then our freeways and railways are the arteries that must remain flowing in order to deliver the goods and jobs that nourish our economy,” said Pisano. “What the State of the Region Report showed us was that our arteries are clogged, resulting in gridlocked freeways, unemployment rates that are consistently one of the highest in the nation and the highest poverty rate among the top nine largest metro regions in the United States.”

“Operation Jumpstart” will serve as a springboard for SCAG as it begins a coalition-building effort this summer with the California Department of Transportation and the U.S. Environmental Protection Agency; local chambers of commerce and business associations; and key transportation leaders and organizations like the Motor Freight Carriers Association. Pisano added that he anticipates having a more thoroughly developed plan in time for SCAG’s annual economic forecast conference in the fall.

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Details of the preliminary plan include:

- Acceleration of infrastructure investment with privately-funded, revenue-backed projects.
- Creation of higher paying construction, manufacturing, trade and transportation-related jobs that will raise the SCAG region's per capita income, which has fallen from the fourth highest rate among the 17 largest metropolitan areas in 1970 to 16th in 2000. Initial estimates indicate that as many as 370,000 jobs might be created by "Operation Jumpstart" over six years and \$26 billion injected into the SCAG region's economy between 2005 and 2010.
- Development of dedicated truck tollways along the 60, 710 and 15 Freeways that would relieve the pressure on freeways used by commuters, decrease gridlock and decrease air pollution. The costs of tax-exempt revenue bonds would be recouped through a per mile fee to use the lanes.
- Expansion of Southern California's east-west railway corridor and the addition of signals, rail yards and grade separations to increase the number of trains the network can handle and decrease delays at rail crossings and the resulting air pollution. The additional container fees that result from the increased rail capacity would pay for the project.
- Development of a regional airport system connected by a high-speed Maglev system to relieve pressure on Los Angeles International Airport while meeting the projected growth in both passenger and cargo demand. The system would be financed through tax-exempt bonds and federal loans that would be repaid through fees built in to Maglev rider fares.

"Many Southern Californians do not fully realize the ever-increasing importance that trade and commerce play in our current and future economy. Southern California's position as a national and international commerce center is totally reliant on our ability to develop the road, rail and air infrastructure. We need to keep that commerce flowing and growing," said Pisano. "Without a plan like "Operation Jumpstart" to provide us with both short-term stimulus and long-term economic viability, businesses will leave our region in droves in search of other areas that can meet their needs. We cannot wait until it is too late."

For more information about the work of the Southern California Association of Governments, please visit www.scag.ca.gov.